



Montana Public Service Commission
1701 Prospect Avenue
PO Box 202601
Helena MT 59620-2601

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For more information, contact:
Bob Rowe – 406-444-6167
Gary Duncan - 406-444-6189

PSC APPROVES SETTLEMENT AGREEMENTS THAT RESOLVE LOCAL NUMBER PORTABILITY ISSUES BETWEEN WIRELINE AND WIRELESS CARRIERS

The Montana Public Service Commission on Wednesday approved settlement agreements between 11 small local telephone companies and cellular company Western Wireless that resolve difficult cost issues that resulted from a federal requirement that wireline phone companies implement wireline to wireless local number portability.

Wireline to wireless number portability allows wireline customers to switch to wireless phones without changing numbers. The Federal Communications Commission ordered that all local telephone companies must have number portability in place by May 24, 2004. However, the FCC also said local companies with fewer than 2 percent of the nation's subscriber lines could petition their state commissions for a suspension of the number portability requirement. A state commission may grant a suspension of the requirement if the commission determines the requirement to implement number portability will result in a significant adverse economic impact on telecommunications users, or is economically burdensome or is technically infeasible, and if a suspension is in the public interest.

Nearly all the small local telephone companies in Montana had requested that the PSC suspend the FCC's local number portability requirement, but Western Wireless opposed their requests.

The PSC approved company-specific settlement agreements between Western Wireless and the following 11 local telephone companies: 3 Rivers Communications, Blackfoot Telephone Cooperative, Lincoln Telephone Co., Range Telephone Cooperative, Southern Montana Telephone Co., Northern Telephone Cooperative, Triangle Telephone Cooperative, Central Montana Communications, InterBel Telephone Cooperative, Nemont Telephone Cooperative, and Project Telephone Co. The key elements of the agreements are:

- The wireline phone companies will implement local number portability on specific dates agreed to in each stipulation, but with none later than January 1, 2006.
- The wireline phone companies agree to deliver ported calls as local calls either through direct connection or through a Qwest tandem switch.
- Western Wireless and the local telephone companies will work to establish direct trunking connections (with the exception of one local phone company which has agreed to a tandem

routing solution utilizing Qwest as the transit provider). Until direct connections with Western Wireless are established, the local phone companies will utilize a transit provider to deliver the calls.

- Western Wireless will reimburse the local phone companies for transit and transport charges they incur to route calls to the wireless ported number until a direct connection is established, or the FCC issues an order deciding who is responsible for transit costs.
- The key terms of these agreements will apply to any other wireless company that requests these local phone companies to provide wireline to wireless local number portability.
- The Commission's orders approving the stipulations also set the stage for the companies to address wireless to wireline number portability.

According to PSC Chairman Bob Rowe, "For the companies involved, these agreements resolve the specific issue of wireline to wireless number portability, and also begin to address long-standing economic and operational difficulties between wireline and wireless telecommunications companies. There is still lots of work to do, but the negotiations and agreements help lay the basis for ongoing commercial relationships between the companies, and that will be good for customers who increasingly use both wireless and wireline service." Rowe also said, "To the best of my knowledge, these agreements are almost unique in the country in the way they propose to address the underlying costs of transporting this traffic."

The PSC's approval of the settlement agreements means that all of the Montana local telephone companies, with the exception of Ronan Telephone and Hot Springs Telephone, will have implemented local number portability by January 2006. The PSC held a separate contested case concerning the requests of Ronan Telephone and Hot Springs Telephone, to suspend local number portability requirements, based on the specific circumstances of those companies. The Commission plans to issue an order concerning those companies in November, after briefs have been filed.

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